

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

INTALCO ALUMINUM LLC,

Defendant.

Civ A. No. 2:24-1066

Stipulation of Settlement

WHEREAS, the United States of America, by the authority of the Attorney General of the United States acting at the request of the Administrator of the United States Environmental Protection Agency (“EPA”), has filed a complaint for civil penalties simultaneously with this Stipulation of Settlement, alleging that Intalco Aluminum LLC (the “Defendant”) is liable for violations of Sections 110, 112 and 113 of the Clean Air Act (the “Act”), 42 U.S.C. §§ 7401 *et seq.*, at the Defendant’s former aluminum smelting facility located at 4050 Mountain View Road, Ferndale, Washington (“Facility”) relating to the emission of hazardous and other air pollutants in excess of emissions limits or otherwise not in compliance with the applicable National Emissions Standards for Hazardous Air Pollutants, 40 C.F.R. Part 63, Subpart LL, the Defendant’s Clean Air Act Title V Operating Permit, and the Washington State Implementation Plan;

WHEREAS, Defendant fully curtailed operations at the Facility in October of 2020.

1 *WHEREAS*, Defendant’s parent company, Alcoa Corporation (“Alcoa”), publicly
2 announced the permanent closure of the Facility on March 16, 2023;

3 *WHEREAS*, Defendant surrendered its Title V Operating Permit on December 7, 2023.

4 *WHEREAS*, Defendant certifies that it is in compliance with the Act and that, given the
5 permanent closure of the Facility and surrender of its Title V Operating Permit, Defendant will
6 remain in compliance with the Act with respect to the Facility.

7 *WHEREAS*, the United States, the Defendant, and Alcoa (the “Parties”) agree that it is in
8 the public interest to resolve this matter without litigation and have negotiated this Stipulation of
9 Settlement in good faith to avoid expensive and protracted litigation;

10 *NOW THEREFORE*, without adjudication or admission of any issue of fact or law,
11 except as provided in Paragraphs A-C and H, and without any admission of liability by the
12 Defendant or by Alcoa, the Parties, by and through the undersigned, agree and stipulate as
13 follows:
14

15 A. This Court has jurisdiction over the subject matter of this action pursuant to 28
16 U.S.C. §§ 1331, 1345 and 1355 and 42 U.S.C. § 7413(b). Venue is proper in this District
17 pursuant to 42 U.S.C. § 7413 and 28 U.S.C. §§ 1391 and 1395, because the Defendant conducts
18 business in this District and because the alleged violations occurred in this District.

19 B. For the purposes of this Stipulation of Settlement, or any action to enforce it, the
20 Defendant and Alcoa consent to the Court’s jurisdiction and consent to venue in this judicial
21 district.
22

23 C. For purposes of this Stipulation of Settlement, or any action to enforce it, the
24 Defendant agrees that the Complaint states claims upon which relief may be granted pursuant to
25 Sections 110, 112 and 113 of the Act, 42 U.S.C. §§ 7410, 7412 and 7413.
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1 D. The obligations of this Stipulation of Settlement apply to and are binding upon the
 2 United States and upon the Defendant and Alcoa and their successors. Any change in the
 3 Defendant's ownership or corporate status shall not alter the obligations of Defendant and Alcoa
 4 hereunder.

5 E. Within ten business days of entry by the Court of this Stipulation of Settlement,
 6 the Defendant shall pay to the United States the sum of \$5,250,000.00 as a civil penalty, together
 7 with interest accruing from May 6, 2024, at the rate specified in 28 U.S.C. § 1961 as of the date
 8 of lodging.
 9

10 F. Defendant shall pay the civil penalty together with interest due by FedWire
 11 Electronic Funds Transfer ("EFT") to the U.S. Department of Justice account, in accordance with
 12 instructions provided to Defendant by the Financial Litigation Unit of the United States
 13 Attorney's Office for the Western District of Washington (the "FLU") after the entry by the
 14 Court of this Stipulation of Settlement. The payment instructions provided by the FLU will
 15 include a Consolidated Debt Collection System ("CDCS") number, which Defendant shall use to
 16 identify all payments required to be made in accordance with this Stipulation of Settlement. The
 17 FLU will provide the payment instructions to:
 18

19 Gregory Pfeifer
 20 Chief Environmental Counsel
 21 Alcoa Corporate Center
 22 201 Isabella Street
 23 Pittsburgh, PA 15212-5858
 24 Gregory.Pfeifer@alcoa.com

25 on behalf of the Defendant. At the time of payment, Defendant shall send notice that payment
 26 has been made: (i) to EPA via email at cinwd_acctsreceivable@epa.gov or via regular mail at

1 EPA Cincinnati Finance Office, 26 W. Martin Luther King Drive, Cincinnati, Ohio 45268; and
2 (ii) to the United States via email at EESCDCopy.ENRD@usdoj.gov and via regular mail to:

3 Chief
4 Environmental Enforcement Section
5 Environment & Natural Resources Division
6 United States Department of Justice
7 P.O. Box 7611 Ben Franklin Station
8 Washington, D.C. 20044-7611

and

9 Brandon Jones-Cobb
10 Attorney Advisor
11 U.S. EPA, Region 10
12 1200 Sixth Avenue, Suite 155 M/S ORC-11-C07
13 Seattle, Washington 98101

14 Such notice shall state that the payment is for the civil penalty owed pursuant to the Stipulation
15 of Settlement in the *United States v. Intalco Aluminum LLC* and shall reference the civil action
16 number, CDCS Number and DOJ case number 90-5-2-1-12421.

17 G. In the event that the Defendant does not comply with the payment obligations of
18 Paragraph E above, the Defendant shall pay a stipulated penalty to the United States in the
19 amount of one thousand dollars (\$1,000) per day for each day that the civil penalty remains
20 unpaid. Stipulated penalties shall be paid in the same manner as that provided for in Paragraph F
21 above for payment of the civil penalty. Further, interest shall accrue on the unpaid balance of
22 civil and/or stipulated penalties in accordance with 28 U.S.C. § 1961 commencing on the date
23 that such penalties are due and continuing until paid. If payment specified in Paragraph E is not
24 made when due, then, in addition to other remedies herein, the United States reserves the right to
25 move this Court to vacate this Stipulation of Settlement and reinstate this action.

26 H. Alcoa hereby guarantees payment of all payment and/or penalty obligations in
Paragraphs E and G on behalf of Defendant. This is a continuing guaranty that shall remain in

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1 full force and effect until all payments under such paragraphs have been fully paid. Alcoa, by its
2 signature below, agrees to jurisdiction of this Court for the purposes of enforcing this guaranty
3 pursuant to this Stipulation of Settlement. In the event Defendant defaults on any payment
4 and/or penalty obligations under Paragraph E or G, the United States shall be entitled to
5 immediately pursue its rights to enforce this guaranty in any appropriate legal forum and Alcoa
6 and Defendant agree not to challenge the United States' enforcement of this guaranty.

7
8 I. Within ten business days of receipt of all amounts due under this Stipulation of
9 Settlement, the United States shall file a notice with the Court that full payment has been made.

10 J. The Defendant's payment of the civil penalty identified in Paragraph E above,
11 and any stipulated penalties and interest required by Paragraph G above, shall constitute a
12 complete settlement and shall be in full satisfaction of the United States' claims alleged in the
13 Complaint through the date of lodging. This Stipulation of Settlement is limited to the civil
14 claims that are expressly alleged in the Complaint. This Stipulation of Settlement is not intended
15 to, nor shall it be construed to, operate in any way to resolve any civil claims other than those
16 expressly alleged in the Complaint or any criminal liability of the Defendant.

17
18 K. Nothing in this Stipulation of Settlement shall be construed to release the
19 Defendant or its agents, successors, or assigns from their respective obligations to comply with
20 any applicable Federal, State, or local law, regulation, or permit. This Stipulation of Settlement
21 is not a permit, or a modification of any permit, under any Federal, State, or local laws or
22 regulations. Nothing contained herein shall be construed to prevent or limit the United States'
23 rights to obtain penalties or injunctive relief under the CAA, 42 U.S.C. § 7401 *et seq.*, or any
24 other law for other alleged violations.
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L. Civil penalties and any stipulated penalties paid pursuant to this Stipulation of Settlement are not deductible by the Defendant, Alcoa or any other person for federal, state or local tax purposes.

M. This Stipulation of Settlement shall be filed with the Court concurrently with the United States' Complaint. The Defendant and Alcoa consent to the entry of this Stipulation of Settlement without further notice and agree not to withdraw from or oppose its entry by the Court or to challenge any provision herein, unless the United States has notified the Defendant and Alcoa in writing that it no longer supports entry of this Stipulation of Settlement.

N. The Court shall retain jurisdiction for the purposes of interpreting and enforcing this Stipulation of Settlement through the date that Defendant makes all payment(s) due under this Stipulation of Settlement in accordance with the provisions herein.

O. This Stipulation of Settlement shall be considered an enforceable judgment solely for the purposes of post-judgment collection of any unpaid civil and/or stipulated penalties and interest referred to in Paragraphs E, G, and H above, in accordance with Rule 69 of the Federal Rules of Civil Procedure; the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001-3008; and any other applicable statutory authority without further order of this Court. In the event all or any portion of the civil penalty or any stipulated penalties are not paid in accordance with the provisions of this Stipulation of Settlement, the Defendant and Alcoa shall be liable for attorneys' fees and costs incurred by the United States in collecting any amounts due thereunder.

P. This Stipulation of Settlement shall not be construed to create rights in, or grant any cause of action to, any third party not a party to this Stipulation of Settlement.

Q. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, civil penalties or other appropriate relief relating to Defendant's

1 Facility, the Defendant and Alcoa shall not assert, and may not maintain, any defense or claim
2 based upon the principles of waiver, claim preclusion (*res judicata*), issue preclusion (collateral
3 estoppel), claim-splitting, or other defenses based upon any contention that the claims raised by
4 the United States in the subsequent proceeding were or should have been brought in the instant
5 case, except with respect to those claims expressly alleged in the Complaint and resolved in this
6 Stipulation of Settlement.

7
8 R. The undersigned representatives of the Defendant, Alcoa, the Deputy Chief of the
9 Environmental Enforcement Section, and the Regional Counsel of EPA Region 10 identified on
10 the signature pages below certify that each is fully authorized to enter into the terms and
11 conditions of this Stipulation of Settlement and to bind legally the party he or she represents to
12 this document.

13 S. The Defendant agrees to accept service of process with respect to the Complaint
14 and all matters arising under or relating to this Stipulation of Service by email directed to:

15
16 Gregory Pfeifer
17 Chief Environmental Counsel
18 Alcoa Corporate Center
19 201 Isabella Street
20 Pittsburgh, PA 15212-5858
21 Gregory.Pfeifer@alcoa.com

22 With a copy to:

23 Mark DeLaquil
24 Baker & Hostetler LLP
25 Washington Square, Suite 1100
26 1050 Connecticut Ave, N.W.
Washington, DC 20036-5403
mdelaquil@bakerlaw.com

(or by first class mail or hand delivery of the Complaint to his/her office) and to waive the formal
service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any

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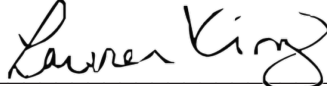
1 applicable local rules of this Court, including, but not limited to, service of a summons with the
2 Complaint. The Defendant need not file an answer to the Complaint unless or until the Court
3 expressly declines to enter this Stipulation of Settlement.

4 T. Except as set forth in Paragraph O of this Stipulation of Settlement, each party
5 shall bear its own costs and attorneys' fees in this action.

6 U. There are no separate agreements or understandings with respect to this matter
7 that have not been set forth in this Stipulation of Settlement.
8

9 V. This Stipulation of Settlement may signed in counterparts, and its validity shall
10 not be challenged on that basis.

11 **SO ORDERED** this 15th Day of October, 2024

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13 _____
14 United States District Judge
15 Western District of Washington
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FOR THE UNITED STATES:

SUSAN M. AKERS
Deputy Chief
Environmental Enforcement Section

DATED: June 27, 2024

s/ Katherine L. Matthews
Katherine L. Matthews
Senior Attorney
Environmental Enforcement Section
Environment & Natural Resources Division
United States Department of Justice
999 18th Street - South Terrace, Suite 370
Denver, CO 80202
(303) 844-1365
CO Bar No. 53372
katherine.matthews@usdoj.gov

**FOR THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

BEVERLY LI

Digitally signed by
BEVERLY LI
Date: 2024.07.15
16:48:11 -07'00'

DATED: _____

BEVERLY LI

Regional Counsel

U.S. Environmental Protection Agency

Region 10

1200 Sixth Avenue, Suite 155 M/S ORC-11-C07

Seattle, Washington 98101

BRANDON JONES-COBB

Attorney Advisor

U.S. Environmental Protection Agency

Region 10

1200 Sixth Avenue, Suite 155 M/S ORC-11-C07

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**FOR DEFENDANT
INTALCO ALUMINUM LLC**

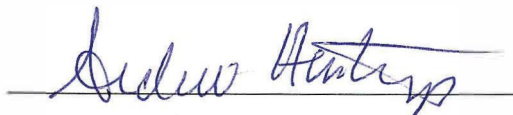
DATED: 06-20-24



Robert S. Bear
President, Intalco Aluminum LLC
Alcoa Corporate Center
201 Isabella Street
Pittsburgh, PA 15212-5858
Robert.Bear@alcoa.com

**FOR GUARANTOR
ALCOA CORPORATION**

DATED: June 12, 2024



Andrew Hastings
Executive Vice President & General Counsel
Alcoa Corporation
Alcoa Corporate Center
201 Isabella Street
Pittsburgh, PA 15212-5858
Andrew.Hastings@alcoa.com

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